



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item No. 2c

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Memorandum

TO: Operations Committee

DATE: September 3, 2010

FR: Executive Director

W.I. 105-1221, 310-2700,
310-2723

RE: ClipperSM Program Contract Actions

(i-iii) Contract Change Orders: Cubic Transportation Systems (Cubic)

(iv) Contract: Synapse Strategies

Program Update

For the first time in August 2010, the average weekday ClipperSM transaction volume exceeded 100,000 transactions per weekday. SFMTA had the highest number of average weekday transactions, followed by BART, AC Transit, Golden Gate Transit bus and ferry, and Caltrain. Additionally, ClipperSM achieved the Revenue Ready milestone for the system's implementation on SamTrans on July 29 and on VTA on August 2. ClipperSM will be available to SamTrans and VTA customers later in the fall.

In addition to the publicity related to the ClipperSM launch in June, three recent activities have spurred significant growth in customers' use of the system: 1) Suspension of the \$5 fee for acquisition of ClipperSM cards, which began June 16 and temporarily makes all ClipperSM cards free; 2) SFMTA's announcement that it will end sale of the paper version of the Muni/BART Fast Pass this fall; and 3) Deployment of ClipperSM outreach teams to major transit locations to inform transit riders about ClipperSM and how it works. Having already distributed several hundred thousand free ClipperSM cards since June 16, the program plans to adopt a new policy in September that will require customers to add a nominal amount of value when acquiring a new card; this policy is intended to discourage customers from unnecessarily acquiring multiple cards or otherwise misusing the cards. Staff is also recommending a new card order, later in this memorandum.

Staff recommends that the Operations Committee authorize the Executive Director or his designee to negotiate and enter into the following contract actions this month:

Contract Change Orders: Cubic Transportation Systems, Inc.

- (i) **Golden Gate Ferry Ticket Vending Machine Network (\$68,000):** Under existing Change Order 135, MTC, on behalf of Golden Gate Bridge, Highway, and Transportation District (GGBHTD), is procuring ClipperSM ticket vending machines (TVMs) limited-use smart cards, and software to support Golden Gate Ferry operations at three terminals. This TVM project requires reconfiguration of the existing ClipperSM-Golden Gate Ferry

telecommunications network to integrate the new TVMs into the existing network. The project scope for this new change order includes design, manufacture, installation, testing, training, and support for network hardware and software.

- (ii) **Additional Spare and Revenue Service Equipment for GGBHTD Ticket Vending Machines and Faregates (\$80,000):** Provides for additional spare modules and revenue service equipment to support the implementation of the new ticket vending machines at Golden Gate Ferry. The additional equipment is required to allow for sufficient spares quantities to support the equipment that will become operational starting in early 2011.

GGBHTD is funding both of these change orders through the grant and cooperative agreement between MTC and GGBHTD, dated April 8, 2010.

- (iii) **ClipperSM Card Order No. 4 (\$1,000,000):** Since the rebranding of the program from TransLink[®] to ClipperSM in June and the start of the operators' transitions of pre-paid paper fare media to ClipperSM, distribution of ClipperSM cards has exceeded 150,000 per month. MTC has placed a series of card orders to ensure that the program has sufficient card inventory to meet customer demand. MTC is currently finalizing the completion of our third card order totaling 1,300,000 ClipperSM cards, with the final 300,000 slated for delivery in December 2010. Based on the post-rebranding project schedule and current distribution analysis, staff recommends initiation of Card Order No. 4 in the amount of 475,000 cards in order to meet projected demand through FY 2010-11 while also maintaining a minimum inventory to address any unexpected spikes in demand.

The cost for the 475,000 cards is approximately \$1,000,000 including sales tax. Funding for this expense is available in the ClipperSM capital budget.

Contract: Synapse Strategies

- (iv) **Contract – Distribution, Communications and Customer Service Support Services: Synapse Strategies (\$360,000)**

Synapse Strategies has supported the ClipperSM program for three years as part of the Consultant Assistance program, providing distribution and communications planning and support for the rollout of ClipperSM. The Consultant Assistance program expired on its terms June 30, 2010, and a new program through FY 2012-13 was approved by the Operations Committee on July 9, 2010. Synapse was one of the firms approved by this Committee for the ClipperSM Consultant program. A new contract is required for continuing support of the ClipperSM program by this contractor. This agreement will provide for Synapse Strategies' continued support of marketing and distribution initiatives for the transit agencies that are currently operating ClipperSM and support for regional marketing strategies for the remainder of FY 2010-11. In addition, Synapse Strategies will provide new support regarding ClipperSM customer service. Funding for this agreement is available under the ClipperSM capital/operating budget.

Steve Heminger

SH:LV

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2723

Contractor: Cubic Transportation Systems
San Diego, CA

Project Title: Golden Gate Ferry Ticket Vending Machine Network

Purpose of Project: Integrate new Golden Gate Ferry ticket vending machines with the existing ClipperSM telecommunications network

Brief Scope of Work: Reconfigure the existing Golden Gate Ferry-ClipperSM telecommunications network to incorporate the new Golden Gate Ferry ticket vending machines

Project Cost Not to Exceed: \$68,000 (current capital contract – \$112,800,335)

Funding Source: Golden Gate Bridge, Highway, and Transportation District (GGBHTD) is funding this change through the Grant and Cooperative Agreement between MTC and GGBHTD, effective April 8, 2010.

Fiscal Impact: Funds included in FY 2010-11 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract change order to implement the Golden Gate Ferry Ticket Vending Machine Network, and the Chief Financial Officer is authorized to set aside funds up to \$68,000 for such a contract change order.

Operations Committee:

Amy Rein Worth, Chair

Approved: Date: September 10, 2010

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2723

Contractor: Cubic Transportation Systems
San Diego, CA

Project Title: Golden Gate Ferry Additional Spare and Revenue Service
Equipment for TVMs

Purpose of Project: Ensure sufficient spare modules to support the new ticket
vending machines at GGBHTD

Brief Scope of Work: Procurement of additional spare modules and revenue
service equipment to support the implementation of the
new ticket vending machines at GGBHTD

Project Cost Not to Exceed: \$80,000

Funding Source: Golden Gate Bridge, Highway, and Transportation District
(GGBHTD) is funding this change through the Grant and
Cooperative Agreement between MTC and GGBHTD,
effective April 8, 2010.

Fiscal Impact: Funds included in FY 2010-11 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to
negotiate and enter into a contract change order to procure
additional spare and revenue service equipment for Golden
Gate Ferry ticket vending machines, and the Chief Financial
Officer is authorized to set aside funds up to \$80,000 for such a
contract change order.

Operations Committee:

Amy Rein Worth, Chair

Approved: Date: September 10, 2010

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Change Order

Work Item No.: 310-2700

Contractor: Cubic Transportation Systems
San Diego, CA

Project Title: ClipperSM Card Order Number 4

Purpose of Project: Initiate new order for additional ClipperSM cards

Brief Scope of Work: Order of additional ClipperSM cards to ensure sufficient inventory through FY 10/11

Project Cost Not to Exceed: \$1,000,000 (current capital contract – \$112,800,335)

Funding Source: Funding is available in the ClipperSM Capital Budget

Fiscal Impact: Funds included in FY 2010-11 agency budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract change order to order additional ClipperSM cards, and the Chief Financial Officer is authorized to set aside funds up to \$1,000,000 for such a contract change order.

Operations Committee:

Amy Rein Worth, Chair

Approved:

Date: September 10, 2010

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Work Item No.: 105-1221 and 310-2700

Contractor: Synapse Strategies
Oakland, CA

Project Title: Clipper Distribution, Communications Planning and
Customer Service Support Services

Purpose of Project: Oversee completion of tasks related to the region-wide
implementation of ClipperSM

Brief Scope of Work: Planning and support services related to the distribution
of ClipperSM cards and value, and to ClipperSM marketing
and communications and customer service initiatives

Project Cost Not to Exceed: \$360,000

Funding Source: RM-2 Capital and RM-2 Operating

Fiscal Impact: Approved at the June 2010 Programming and Allocations
Committee

Motion by Committee: That the Executive Director or his designee is authorized to
negotiate and enter into a contract with Synapse Strategies and
the Chief Financial Officer is authorized to set aside funds up
to \$360,000 for such a contract.

Operations Committee:

Amy Rein Worth, Chair

Approved: Date: September 10, 2010